

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF OWEN)
COUNTY RURAL ELECTRIC) CASE NO. 8618
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that Owen County Rural Electric Cooperative Corporation ("Owen County") shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record by December 2, 1982. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. Owen County shall include with each response the name of the witness who will be available at the public hearing for responding to questions concerning each area of information requested. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 3

1. In response to the Commission's Order of September 14, 1982, Owen County supplied the account distribution for the adjustment

to salaries and wages. Question 1 of that September 14 Order requested working papers supporting the adjustment itself. Please provide all calculations supporting the determination of the \$252,432 adjustment. Supply a listing by employee or employee number of the salary received during the test year, the proposed increase for that employee, the date the increase will be effective, and the salary that will result from the increase. Employees may be grouped by classification for the purposes of this response if the requested information is the same for each employee in that classification.

2. Supply the computations that determined the exempt earnings amounts as shown under Tab 1 of the response to the Commission's Order of September 14, 1982, in the Workman's Compensation Adjustment on the Worksheet for Normalized Adjustment No. 3.

3. Supply the computations that determined the exempt earnings amounts as shown under Tab 1 of the response to Commission's Order of September 14, 1982, in the General Liability Insurance Adjustment on the Worksheet for Normalized Adjustment No. 3. Also supply documentation for the 1.06 rate used in the calculation of this adjustment.

4. On Sheet 1 of 5 of the Worksheet for Normalized Adjustment No. 4 under Tab 1 as supplied in response to the Commission's Order of September 14, 1982, Owen County has listed the cost as of June, 1982, of Hospitalization, Retirement, NRECA Group Insurance and Group Life. Please provide the calculations as to how these 4 different amounts were determined by showing the factors used in the determination, the rates used in the calculations and

documentation of these rates. In the NRECA Group Insurance break the cost down into the separate components of Short-term, Long-term and Director's Life. Show all the information requested above on each of these 3 categories.

5. In the billing analysis for Public Lights, page 34 of the exhibits of the application, aren't the rates used for billing public lights a mixture of rates from two rate schedules, the customer charge from Schedule I and the energy charge from Schedule III? Why aren't the rates for Public Lights filed under a separate tariff?

6. Provide an explanation of the methodology or bases used to develop the proposed rates for security lights including the energy charge for all KWH as shown on the comparative rate schedule, page 36 of the exhibits of the application, under rate Schedule III - Security Lights.

7. Provide an explanation of the methodology or bases used to allocate a greater increase to the customer charge for rate Schedule I, which is increased 43.9 percent (from \$4.17 to \$6.00) than was allocated to the energy charge, which is increased by only 11.1 percent (from \$.05550 to \$.06164) as shown on the comparative rate schedule, page 36 of the exhibits of the application, under rate Schedule I - Farm and Home and Small Commercial.

8. In his previously filed testimony, page 9, answer to question 19, Mr. James W. Blackburn mentions that his firm has done many cost of service studies for rural electric cooperatives

other than Owen County RECC. Provide an analysis of how many of these cost of service studies Mr. Blackburn has been involved in each year for the last three years.

Done at Frankfort, Kentucky, this 18th day of November, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary